

BEFORE THE  
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF: )  
 )  
bROADVIEW NETWORKS, INC. )  
 ) No. 09-0454  
Application for a certificate )  
of local authority to operate )  
as a facilities based carrier )  
and non-facilities based )  
carrier of telecommunications )  
services in the State of )  
Illinois. )

Chicago, Illinois

January 14, 2010

Met pursuant to notice at 11:00 a.m.

BEFORE :

MS. LESLIE HAYNES, Administrative Law Judge.

APPEARANCES :

MR. CHARLES HUNTER  
800 Westchester Avenue, Ste. N-501  
Rye Brook, New York 10573  
appeared for Applicant, telephonically;

MR. THOMAS R. STANTON  
160 North LaSalle Street, Ste. C-800  
Chicago, Illinois 60601  
appeared for Staff.

1 SULLIVAN REPORTING COMPANY, by  
2 Teresann B. Giorgi, CSR  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

I N D E X

<u>Witnesses:</u>	<u>Dir.</u>	<u>Crx.</u>	<u>Re-</u> <u>dir.</u>	<u>Re-</u> <u>crx.</u>	<u>By</u> <u>Examiner</u>
Charles Hunter		10			11

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
---------------	---------------------------	--------------------

1 JUDGE HAYNES: Pursuant to the direction of  
2 the Illinois Commerce Commission, I call  
3 Docket 09-0454. This is the Application of  
4 Broadview Networks, Inc., for a Certificate of Local  
5 Authority to operate as a facilities based and  
6 non-facilities based carrier of telecommunications  
7 services in the State of Illinois.

8 May I have the appearances for the  
9 record, please, starting with the hearing room here  
10 in Chicago.

11 MR. STANTON: Tom Stanton on behalf of the Staff  
12 of the Illinois Commerce Commission, Office of  
13 General Counsel, 160 North LaSalle Street,  
14 Suite C-800, Chicago, Illinois 60601.

15 JUDGE HAYNES: And on behalf of the Applicant?

16 MR. HUNTER: Charles Hunter on behalf of  
17 Broadview Networks, Inc., 800 West Chester Avenue,  
18 Rye Brook, New York 10573.

19 And with me in the remote hearing room  
20 is Corey Rinker, the chief financial officer of  
21 Broadview Networks, as well.

22 JUDGE HAYNES: Okay. Is it Mr. Rinker?

1           MR. HUNTER:   Yes, Mr. Rinker.

2           JUDGE HAYNES:   Mr. Hunter, you're the one that

3   filed pre-filed testimony, though.

4           MR. HUNTER:   Yes, I am.   I invited Corey to join

5   me simply because the Staff had raised several

6   financial issues and I just wanted to make sure that

7   we could respond to any questions that were raised.

8           JUDGE HAYNES:   Okay.

9                        Did you have any statement you would

10   like to make before we ask you questions or just go

11   right ahead with some Staff questions here?

12          MR. HUNTER:   Just a very brief statement.

13                        Broadview --

14          JUDGE HAYNES:   You know what -- this is

15   Mr. Hunter, right?

16          MR. HUNTER:   Right.

17          JUDGE HAYNES:   Why don't you and Mr. Rinker

18   raise your hands to be sworn in, since you'll be

19   testifying.

20                        Please raise your right hands.

21          MR. HUNTER:   Okay.

22                                       (Witnesses sworn.)

1 JUDGE HAYNES: Go ahead, Mr. Hunter.

2 MR. HUNTER: Just briefly.

3 Broadview started back in 1996. It  
4 has grown to be one of the largest competitive  
5 carriers in the Northeast and Mid-Atlantic states.  
6 Our revenues run in the 450 to \$500 million range.  
7 We serve, primarily, small to medium size  
8 businesses. We have about 60 or so thousand  
9 business customers currently, another 15 to 20,000  
10 residential customers, as well.

11 We're a facilities based carrier.  
12 We're a switch based carrier. We provide some of  
13 our own transport, but leave much of it as well as  
14 the last mile access to the customers.

15 We are now engaged in an initiative to  
16 move beyond our base in the Northeast and  
17 Mid-Atlantic to a nationwide offering and that's why  
18 we are applying in Illinois as well as all the other  
19 states in the contiguous United States.

20 We are going to be providing,  
21 initially, a hosted IO -- POIE product throughout  
22 the contiguous United States. But the one thing

1 that we have found from experience is once we  
2 provide one service to a customer, they tend to come  
3 back to us for more. So putting aside questions of  
4 jurisdiction or whatever, we have made the decision  
5 that we want to be certificated across the country  
6 and be able to provide any services that our  
7 customers require.

8 JUDGE HAYNES: Okay. And before we move on, I  
9 see that you had pre-filed testimony.

10 MR. HUNTER: Yes, we did.

11 JUDGE HAYNES: And was that testimony prepared  
12 by you?

13 MR. HUNTER: Yes, it was.

14 JUDGE HAYNES: And if you were asked those  
15 questions today, would your answers be the same?

16 MR. HUNTER: With only one change. In the  
17 testimony we had accurately reflected the extent of  
18 our certifications across the country as well as our  
19 applications, that has now changed because of the  
20 passage of time we have applications pending in all  
21 states in which we were not previously certified for  
22 local certification. And of the 30 or so

1 applications that we have filed we have been granted  
2 authority in 10 additional states.

3 JUDGE HAYNES: Okay.

4 Staff, do you have any objection to me  
5 admitting that testimony into the record?

6 MR. STANTON: No.

7 JUDGE HAYNES: Okay. Then the pre-filed direct  
8 testimony of Charles Hunter is admitted into the  
9 record.

10 And I had one other question,  
11 procedurally, here. Your Exhibit 10 is your  
12 financial information.

13 MR. HUNTER: Yes, it is.

14 JUDGE HAYNES: Was that supposed to be  
15 confidential?

16 MR. HUNTER: No. We are actually a public  
17 filer. We do not have publicly traded stock, but  
18 our debt is publicly traded. So that is a public  
19 record at the Securities & Exchange Commission. So  
20 we're out in the public already.

21 JUDGE HAYNES: Okay.

22 Then I'll turn it over to Staff here,

1 if they have any questions for you.

2 MR. STANTON: Sure.

3 We had promulgated some data requests  
4 to the company and they responded on December 11th,  
5 I believe -- 10th or 11th, and we can go through --  
6 I guess I can ask him the questions or they can  
7 just -- actually, there's a couple clarifying  
8 questions. And, you know, we'd like the data  
9 responses admitted into the record. So whatever the  
10 ALJ pleases, we could ask them the questions and  
11 they can say that these are their answers or we  
12 can -- if they're amenable, we can just stipulate to  
13 the data requests being admitted into the record.

14 JUDGE HAYNES: Is that okay if --

15 MR. HUNTER: Oh, yes, we're perfectly amenable  
16 to that.

17 JUDGE HAYNES: Okay. And do you have copies --  
18 have they been filed on e-Docket or --

19 MR. STANTON: No. I can get you copies. I have  
20 one copy here. I didn't know we were holding an  
21 evidentiary hearing today. This is the first  
22 status, so I can get copies for you.

1 JUDGE HAYNES: You know what, we'll call it a  
2 Staff exhibit.

3 MR. STANTON: Okay.

4 JUDGE HAYNES: Staff Exhibit 1 --

5 MR. STANTON: 1.0.

6 JUDGE HAYNES: -- 1.0 and it will be late filed  
7 and just file it on e-Docket as soon as possible.

8 MR. STANTON: Okay.

9 JUDGE HAYNES: And those are data responses?

10 MR. STANTON: These will be the data responses.  
11 There are just some clarifying questions I can  
12 ask -- I can talk to Charles or Mr. Rinker and we  
13 can get them clarified and then submit them as a  
14 late filed exhibit or we can do it today, whatever  
15 the ALJ wants to do.

16 JUDGE HAYNES: You mean in addition to the data  
17 responses you also have --

18 MR. STANTON: Just some clarifying questions. I  
19 think if we were to talk about them and they can  
20 just identify some of the documents and we can  
21 resubmit those and that would be the Staff exhibit.

22 JUDGE HAYNES: Okay. So go ahead and ask your

1 questions.

2 CROSS EXAMINATION

3 BY

4 MR. STANTON:

5 Q On KC 1.01 the company reiterated the  
6 question -- reiterated the beginning of the response  
7 of the request, but it didn't include the question.

8 So I would just ask the company, when  
9 they resubmit, to add the question on KC 1.01.

10 A We'd be happy to do that.

11 Q And then on Schedule KC 1.01(b), we had  
12 requested a list of the disputed carrier disputes as  
13 of June 30th and also as of September 30th, 2009.  
14 The company provided two schedules, but didn't  
15 identify which was the June 30th and which was the  
16 September 30th.

17 And we would just ask if the company  
18 could identify which schedule is which.

19 A We'd be happy.

20 Just for the record the one with the  
21 lower grand total is the earlier, but we will do  
22 that.

1       MR. STANTON:  Those were the only  
2 clarifications.

3       JUDGE HAYNES:  You're going to get updated data  
4 responses from the company and then you'll file them  
5 as this late filed exhibit.

6       MR. STANTON:  Yes.

7       JUDGE HAYNES:  And did you have any other  
8 questions for the company?

9       MR. STANTON:  No, those are the only questions.

10                               EXAMINATION

11                               BY

12                               JUDGE HAYNES:

13       Q       Just for the record, how do you spell the  
14 Corey Rinker name?

15       A       It's C-o-r-e-y and R-i-n-k-e-r.

16       Q       Okay.  In your application it said a  
17 decision hadn't been reached of which underlying  
18 carrier you would be utilizing.  Has any progress  
19 been made on that decision?

20       A       Actually, we will probably be utilizing a  
21 number.  We're in discussion with not only the  
22 incumbent but also with a number of competitive

1 provides as well, Verizon, Level 3, Cobat. So while  
2 it hasn't been finalized, my guess is that we will  
3 be using multiple carriers.

4 Q Okay. Has any information changed since  
5 the filing of the application, besides what you've  
6 already listed with the pending applications in  
7 other states? Especially I'm curious about the  
8 financial information, anything the Commission  
9 should know about?

10 A No, our financials remain effectively the  
11 same. They change over time, of course, with the  
12 passage of time, but nothing of consequence.

13 Q Okay. And I saw that you filed a sample  
14 tariff. Does the company understand that you'll  
15 have to refile that tariff with our Clerk's Office?

16 A Yes, we do.

17 Q I pulled the order from our docket where  
18 the company was certified for 13-404 interexchange  
19 carrier.

20 A Uh-hum.

21 Q And it indicates they're an Illinois  
22 corporation and I'm just -- that's not correct,

1 right?

2 A Yes, that was an error.

3 Q And you're not asking for facilities based  
4 interexchange?

5 A I thought we were asking for facilities  
6 based.

7 MR. STANTON: 13-404 and 405.

8 JUDGE HAYNES: Q But for interexchange.

9 A Oh, for interexchange. Not for  
10 interexchange.

11 Q Okay. But you're asking for local  
12 interexchange -- I'm sorry.

13 You're not asking for 13-403  
14 facilities based interexchange, correct?

15 A No.

16 JUDGE HAYNES: I have a question then for the  
17 Staff witness, Ms. Chang.

18 My question is, does Staff have a  
19 recommendation in this proceeding.

20 Ms. Chang?

21 MS. CHANG: Hello. Are you talking to me? I  
22 couldn't hear you very well. This is Karen Chang.

1 JUDGE HAYNES: I was curious if Staff had a  
2 recommendation for this application.

3 MS. CHANG: Staff communicated to the counsel,  
4 Mr. Stanton.

5 MR. STANTON: I can make that recommendation.

6 JUDGE HAYNES: Mr. Stanton is ready to make that  
7 recommendation.

8 MR. STANTON: On behalf of the Staff of the  
9 Commission, in light of the application, in light of  
10 the testimony that's submitted into evidence and in  
11 light of the responses that we anticipate to our --  
12 clarifications to the data requests, Staff has no  
13 objection to granting the application.

14 JUDGE HAYNES: Okay. I have no further  
15 questions. And nothing further from Staff?

16 MR. STANTON: No further questions.

17 MR. HUNTER: If I could just pose one procedural  
18 question.

19 JUDGE HAYNES: Sure.

20 MR. HUNTER: When we file the response to the  
21 data request, should we send it directly to  
22 Mr. Stanton or to the Clerk or what would be your

1 preference?

2 JUDGE HAYNES: I believe to Mr. Stanton and then  
3 he will file it as a Staff late filed exhibit.

4 MR. HUNTER: That's fine.

5 JUDGE HAYNES: Okay. If there's nothing further  
6 then the record is marked heard and taken.

7 Thank you.

8 MR. HUNTER: Thank you very much.

9 HEARD AND TAKEN

10

11

12

13

14

15

16

17

18

19

20

21

22